



# Internal marketing as a new alternative for the service employees' performance: an empirical study

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## ABSTRACT

The increasing importance of relational marketing in the service sector as underlined by several authors and particularly by Berry (1983) culminates in a new marketing orientation toward internal marketing, even suggesting a significant impact of the latter on service quality perception. Several scholars argued that consumers attitude toward front-desk personnel often determines their attitude toward the service encounter as a whole (Berry and Parasuranam A. (1991)), which evoke an evident role of employee's customer orientation.

This paper argues and then produces empirical evidence that customer orientation has a mediating effect between internal marketing and service quality perception based on a sample 116 banking customer advisors and 3 client of each (348 client). To do so, an internal marketing performance measurement scale has been established according to Churchill's paradigm.

Two dimensions were found significantly reliable and valid: *gratitude-Empathy* and *Integration-support*. And only the first one was found to have a significant impact on customer orientation.

**Key words:** relational marketing, service quality, internal marketing, satisfaction, customer orientation.

**Internal marketing as a new alternative for the service employees' performance: an empirical study**

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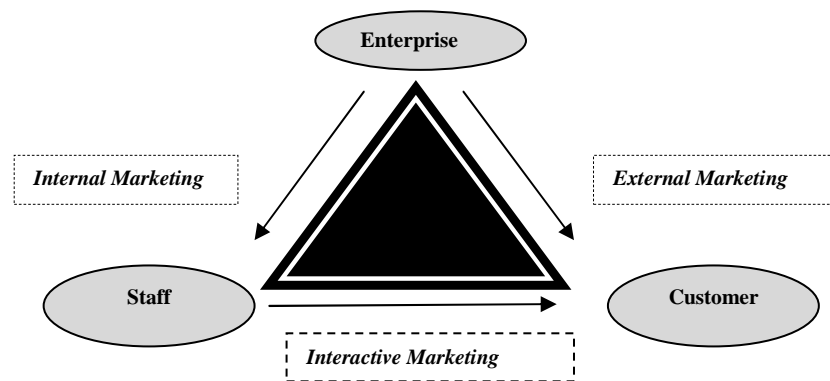
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## Introduction

Many authors are interested by the relational dimension. Indeed, it was very present in the most marketing studies; moreover, several authors (Berry 1983, Gronroos 1994) say that service and industrial marketing sector fit into one relational perspective. For the company, relational marketing, and relational practices represent a way to respond with more efficiency to customers' needs (Sheth and Parvatiyar, 1995). In the majority of services activities, the customer is often interacting with contact employees, whose role has become an element of differentiation. Through his attitude, contact employees could influence the of service quality perceived by the customer. Thus, often contact employees and their attitude are considered as the full service by the consumers (Berry L.L., Conant J.S., Parasuraman A.1991).

Looking the inseparability characteristic of services, contact employees become fundamental in the formulation of the product received and perceived by customer. Service employees are so critical because the service being provided is a performance in itself (Lovelock, 1983). *It became comprehensible that successful marketing can only be implemented if the firm is involved not only in external but also in internal marketing* (Caruana & Calleya, 1998). Several authors and studies (Thomas, 1978, Grönroos, 1984, 1990; Kotler, 2000) have proposed a conceptual framework of service marketing known as the “*service triangle*” (Fig.1) in order to integrate internal marketing, external marketing and interactive marketing. Toward the same direction, a parallel stream of research investigated the impact of internal marketing to enterprise performance (Rafiq and Ahmed, 1993, 2003; Donovan and *al*, 2001, 2004; ...), to job satisfaction (Rafiq and Ahmed, 2000; Conduit and Mavondo, 2001) to employees customer orientation (Saxe and Weitz, 1982; Narver and Slater, 1990, 1995; Brown and *al*, 2002) and to service quality (Parasuraman and *al*, 1985, 1988, 1991; Cornin and Taylor, 1992; Anderson and Sullivan, 1993).

**Figure 1: The “Service Triangle”**



Adapted from Christian Grönroos, 1984.

This study presents an empirical exploration into the correlation among internal marketing, employee customer orientation and service quality; this study sets out to consider whether internal marketing practices in a service firm, particularly in a french bank, has an impact on the level of customer orientation to the contact employee. And, possibly an impact on the service quality perceived by bank customers; thus we can, also, study the mediating effect of employee customer orientation between internal marketing and service quality. This study aims at presenting, also, a scale of internal marketing. A description is provided on how the internal marketing scale is developed.

The organization of the remaining manuscript is as follows: The first section presents relevant literature that leads to specific hypotheses. Next the methodology of the study and the analysis of the data follow. The communication closes with the limitations and future research.

## **Literature review**

### **Internal marketing: concepts and measures**

#### ***Internal marketing: a new era of relational marketing***

*Originally derived from the literature on marketing services, internal marketing fits into the relational paradigm* (Seignour, 1998; Seignour & Dubois, 1999). At the 1970s, some authors already evoked the marketing concept internally; in fact, it *comes from the literature on services marketing* (Gronroos, 1981; Berry 1981; Foreman and money, 1995). Several definitions (table 1) exist and agree on the fact that the employees are considered as internal

customers, what is presumed to improve the internal relations with the aim of developing the efficiency of the company (Helman and Payne, 1992).

According to Gronroos (1990), internal marketing is above all “a philosophy to manage the staff and a systematic way for developing and performing a service culture”; this definition emphasizes the customer orientation of the staff of service; Michon (1988) propose another definition, "the internal marketing is a marketing approach inside the company allowing this to conceive and promote ideas, projects or values useful for the company, to communicate by the dialogue with the employees so that they can express themselves, choose freely and after all facilitate their implication in the company ".

To recapitulate, we can divide research treating the concept of internal marketing into three categories:

1. Internal marketing results by satisfying the needs of employees, it is a holistic approach, it results in job satisfaction and it is implemented through communication with employees (Berry and *al*, 1976; Sasser and Arbeit, 1976; George, 1990)
2. Developing employee customer oriented behavior, *the goal would be to stimulate service awareness and customer orientated behavior* (Grönroos, 1985, 1994; Heskett, 1987; Conduit & Mavondo, 2001)
3. Human resource management orientation, according some authors (Joseph, 1996; Cooper & Cornin, 2000), internal marketing should be incorporated in the human resource management, in order to motivate and encourage personnel to provide better services.

On one hand, we are convinced that the main objective for the internal marketing concept is to make employees the first market of company and agree with the authors who assert the function of internal marketing *is to obtain motivated and conscious personnel* at every level (George, 1990; Grönroos, 1981), what is crucial to take in consciousness for the development and the increase of firm's performance, especially service quality. On the other hand, we realize the companies' lack of practice of internal marketing but also the limited number of empirical studies about this concept. As Rafiq and Ahmed (2000) suggest, this could be explained by the lack of a single and unanimously agreed upon definition.

Thinking, that this is not the only reason that makes internal marketing neglected by the majority of companies, we propose to show the different dimensions of internal marketing by trying to develop a measuring tool after having made an exploratory study. Thus, before modeling the various correlations of the different variables, a qualitative study with contact bank employees was realized in order to develop a measuring scale.

Hence, based on the above argument, this manuscript reports empirical findings from a study aiming to investigate the impact (direct or indirect) of internal marketing on the perceived service quality in a service firm (bank).

### ***Internal marketing: development of measuring scale***

In the previous research three scales measuring internal marketing have been developed. Foreman and Money (1996) used 15 items, 7 point Likert-Type questions to evaluate the level of which internal marketing programs are successfully implemented, Conduit & Mavondo (2001) developed a scale to look for targets beyond customer-oriented values and behaviors. Then, Jou & al (2008), in the same direction as Rafiq's and Ahmed's (1993) view of internal marketing as a human resource strategy, they propose in turn, a measurement tool allowing to estimate the degree of the internal marketing set up by the company; the used scale consisted of 26 items which converged to 6 factors. In the difference of the above three scales, the scale developed through this study has as objective to find and describe the dimensions of internal marketing in order to show the perceptions' service employees (contact employees) of the internal marketing practices. For the scale development, the methodological approach of paradigm of Churchill (1979) was followed and Wallace's (1983) recommendations were taken into account, in particular in the specification of the domain of construct (internal marketing). The "triangulation" method (Allix-Desfautaux, 1998) allows us to combine the literature review, the qualitative and the quantitative methods in order to develop our scale. The different steps are described in the methodology section.

### **Employees' customer orientation: a real building...**

The literature in this domain is marked by two big approaches: the first approach was proposed by Saxe and Weitz (1982) and the second is more recent; it was evoked in 2002 by

Brown and *al.* It deserves to present both of these approaches and show the difference between them.

For Saxe and Weitz (1982), the customer orientation is dedicated to the behavior of the sales force by trying to adjust this one to the benefit of customer satisfaction. Besides, the period of formalization of the first article on the customer orientation (by Saxe and Weitz in 1982) and the date of publication of the first contributions on the market orientation (by Kohli and Jaworski in 1990) legitimizes the difference between both concepts (Esslimani, 2007). Indeed the market orientation is an organizational concept measured by Narver's and Slater's (1990) scale while the customer orientation is an individual concept measured by the Saxe's and Weitz's *SOCO (Selling Orientation – Customer Orientation)* scale (1982) (Gauzente, 2000).

Customer-orientation behavior focuses on the extent to which salespeople practice the marketing concept by helping their customers make purchase decisions that will satisfy their needs (Saxe & Weitz 1982). Saxe and Weitz (1982) define the customer orientation as being “the degree according to which the salesman applies the notion of the Marketing by trying to accompany the customer in his decisions of purchases so as to answer effectively his needs”. More recently, Brown and *al* (2002) proposed another definition to customer orientation. Their perspective emanates from Saxe's and Weitz's view (1982) but it is based on the services characteristics and the contact employees' particularity for the company of services. The authors define customer orientation as “*an employee's tendency or predisposition to meet customer needs in an on-the-job context*”; furthermore, they propose that the customer orientation is composed of two dimensions. The needs dimension, which ensues from Saxe's and Weitz's conceptualization (1982), this dimension representing the employees' ability to satisfy customer needs. The second dimension is the enjoyment dimension represents “*the degree to which interacting with and serving customers is inherently enjoyable for an employee*” (Brown and *al*, 2002). They affirm that the two dimensions are necessary to understand a service employee motivation to serve customers and respond to their needs. We agree with the Brown's and *al*'s view and will use their customer orientation scale in our study.

In general, the above studies suggest that in retail setting, business-to-business organization and banking institution, greater efforts to engage in customer-orientation behaviour are shown by salespeople who are motivated satisfied. As pointed earlier, the internal marketing concept,



as it was underlined by several authors (Grönroos, 1985, 1994; Heskett, 1987; Conduit & Mavondo, 2001), aims at stimulating service awareness and employee customer orientation. Given these findings, internal marketing can be expected to lead to sales techniques emphasizing a greater customer orientation.

### **Measuring Service quality**

As competition in service industries has increased, the notion of service quality has become increasingly important. Service quality has been identified as a determinant of market share, return on investment and cost reduction (Anderson and Zeithaml 1984; Parasuraman, Zeithaml and Berry 1985). They affirm that service quality is more difficult to define and measure than product quality because services are intangible, heterogeneous (service quality is very variable as a concept and a measure), and production is inseparable from consumption. Several experts have sought to define and measure the concept of service quality (Carman 1990; Cronin and Taylor 1992; Parasuraman, Zeithaml and Berry 1985; Parasuraman, Zeithaml and Berry 1988; Parasuraman, Zeithaml and Berry 1991). According to Parasuraman et al. (1985), a perception of service quality is “*a result of a comparison between what consumers consider the service should be and their perceptions about the actual performance offered by the service provider*”; generally it is defined as the effort given by a company to meet and satisfy their customers.

On one hand, internal marketing aims to ensure that contact employee is satisfied and that quality is progressively built into the service as it passes through the company so that the external customer is also satisfied (Bansal et al, 2001); on the other hand, as we noted previously, service quality is approached as ‘customer-oriented’ despite the fact that this is not the rule (Edvardsson, 1998); what supports our vision with regard to the antecedents of the service quality.

On these grounds the followings hypotheses are investigated:

*H1: Internal Marketing has an impact on employee customer orientation*

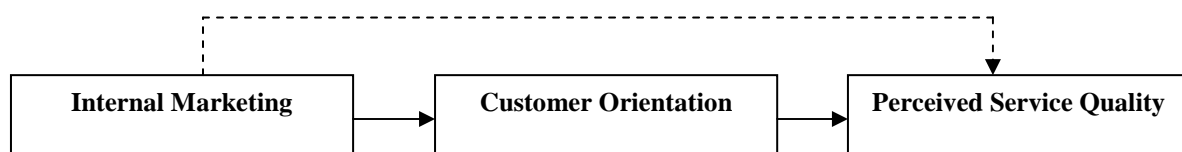
*H2: customer orientation has a mediating role on the relationship between internal marketing and perceived service quality*

The most famous scale of service quality was developed by Parasuraman, Zeithaml and Berry (1985): the SERVQUAL scale. It is based on a difference score between customer expectations of service and their perceptions after receiving the service. Parasuraman and *al* (1985) focused on the ten determinants of service quality: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer and tangibility. On the other hand, after two stages of scale purification, they reduced the ten determinants to five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy (Parasuraman and *al*, 1985).

Empirical evidence indicates that the SERVQUAL scale has a good reliability (between .80 and .93), good trait validity and predictive/concurrent validity, what does not have to prevent the criticisms of some researchers. For instance, Carman (1990) notes that while SERVQUAL showed good stability, its five dimensions were not always *generic*. In fact, the various dimensions can vary depending on the type of service industry surveyed. Teas (1993) questions SERVQUAL's discriminant validity... Although, there have been other studies that have failed to replicate SERVQUAL's five distinct dimensions (Carman 1990; Babakus and Boller 1992), we think that the most extreme criticism of the SERVQUAL scale has come from Cronin and Taylor (1992).

Cronin and Taylor (1992) developed a "*performance-based*" service quality measurement scale called SERVPERF. According to Cronin and Taylor (1992), their unweighted performance-based SERVPERF scale was a better method of measuring service quality. This scale's reliability ranged between .884 and .964, depending on industry type, and exhibited both convergent and discriminant validity (Burch, 2004). In spite of the possibility to advance a relatively strong case for using the SERVQUAL scale, we have preferred to use the SERVPERF scale mainly because of many criticisms of SERVQUAL (Cronin and Taylor 1992; Teas 1993; Churchill, Brown and Peter 1993).

**Figure 2: Conceptual Framework**



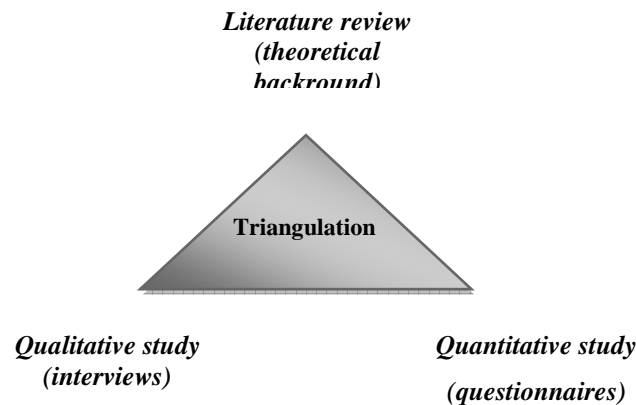
## **Research methodology**

### ***Data collection***

As we noted previously about our methodology, we have choose to use triangulation approach (Fig.3) in this study seen that we proposed to develop an internal marketing scale. Consequently and after a literature review, we proceeded to a qualitative study preceding the quantitative study.

To be able to investigate the relationship between internal marketing, customer employee and perceived service quality, a research design was employed that involved personnel interviews with the contact employees (Number = 15, duration = 60 min) and their customers (Number= 10, duration= 60min) of the retail French bank.

**Figure 3: The triangulation approach**



Then, we invited them to answer our questionnaires. Invited to participate in this study were 352 contact employees. Of this 192 surveys were started, out of which, 116 were completed. For every contact employee questioned, we invited 3 of his customers to participate in this study. We noted that contact employees were solicited with the help of a level director, who accept to support us during our survey; on the other hand, customers agreed to participate in turn with the help of contact employees. Thus, the customer's sample contained 348 persons. We also specify that before this collect, a first collect was made for a pretest, which counted 36 contact employees and 66 customers. This pretest was imported to the purification of the scales, especially, the internal marketing's measurement tool that we had proposed to develop.

### ***Measures***

Internal marketing scale was constructed further to literature review (Ahmed and Rafiq, 1993, 2000, 2003; Berry, 1981, 1987; Berry and *al*, 1976; Grönroos, 1984, 1990, 1994; Gummesson, 1987...) and to the qualitative survey. Then a questionnaire was developed and the internal marketing concept was structured in 17 items included in 3 dimensions. Items in the questionnaire integrated the relational practices in the bank (hierarchical and between employees), the level of employees' integration and managers' coaching, some aspects including employees' needs and what the organization have to offer them. The questions were assessed on a 6-point Likert scale from 1: *totally disagree* to 6: *totally agree*".

Several researchers (Churchill, 1979; Peter, 1981; Gerbing and Anderson, 1988 and Rossiter, 2002) had proposed various approaches for the construction of measuring scale, what gave us vast methodological choice, different but contribute finally towards the same result. We

subscribed in paradigm of Churchill (1979), which recommend two steps: an exploratory phase during the first data collection followed by a confirmatory phase during the second collection of data. The recommendations of Gerbing and Hamilton (1996) will be taken into account after the second data collection. The first step of the subsequent analysis was to estimate the multidimensional character of the scale and their internal consistency as indicated by Cronbach's alpha coefficient (Cronbach, 1951). Thus, we made an Exploratory Factor Analysis (EFA) based on the principle component analysis in order to confirm the three dimensions of the scale (Table I), after that, we estimate the reliability of the scale; the results provided reliability *alphas* of 0,934 for the internal marketing; and of between 0,909 and 0,745 for “*gratitude-Empathy*”, “*Integration-support*” and “*coaching*”. Thus, it was very acceptable. The second step of the Churchill paradigm is the Confirmatory Factor Analysis (CFA); the goal is to check psychometric properties of the revised structure that proved more robust, the objective is also to verify the scale's reliability and validity (convergent and discriminant) (Fornell and Laker, 1981).

### ***Investigation of the scale's psychometric attributes***

Thus, the proposed was tested in a single structural model using Amos 16 (Table II). Firstly, we tested the model with all the 17 items in the 3 dimensions **M1**; the first analysis produced poor results, to improve the psychometric properties of the model, we dropped two items from the third dimension (*Coaching*) which make the model unidentified. Consequently, we test the model with 2 dimensions **M2** (*gratitude-Empathy*, *Integration-support*), the model was improved but results remain insufficient. After a last specification of the model by removing 2 items of every dimension (MIE4, MIE5 / MIR7, MIR9), the results show that the model fitted the data well **M3** (*GFI*=0,948; *CFI*= 0,993; *RMSEA*= 0,041 and  $\chi^2/df$ = 1,193); the standardized factor loading ranged from 0,716 to 0,957.

A last investigation of this phase of the analysis involved the examination of the convergent and discriminant validity of the dimensions. The results from this investigation was good, the average variance extracted for each estimate was above 0.5 which is greater for the convergent validity and such is the case for the discriminant validity ( $AVE > Corr^2$ ).

The scale used in measuring the customer employee was adopted from Brown and *al*'s (2002) study with 12 items divided into 2 dimensions: the “*need dimension*” and the “*enjoyment*”

*dimension*”. Next, the perceived service quality, as we noted previously, was measured with 22 items from the Cronin and Taylor (1992) SERVPERF’s scale. For the tow scales, we applied the Churchill recommendations and trying to adjust the psychometric properties of every model. We confirmed the multidimensionality of both scales (customer orientation and SERVPERF) using principal component analysis, then we estimate the reliability of scale. The results customer orientation scale provided reliability *alphas* of 0,932 for customer orientation, 0,852 for *need* dimension and 0,901 for *enjoyment* dimension; the standardized factor loading ranged from 0,758 to 0,891.

The results of SERVPERF scale provided reliability *alphas* of 0,911 for the perceived service quality; 0,774 for *tangibles* dimension; 0,762 for the *reliability* dimension; 0,616 for the *responsiveness* dimension; 0,814 for the *assurance* dimension and 0,852 for the *empathy* dimension; the standardized factor loading ranged from 0,570 to 0,811 except one item from *reliability* dimension (QSF3) which damage the psychometric properties of the model (**M’1**), it had a standardized factor loading was 0,261 and according the SMC<sup>1</sup> estimated that the predictors of QSF3 explain 6,8% of its variance; which is too poor ; we decided consequently to keep it it at this stage, we noted also a strong correlation between the 5 dimensions of the SERVPERF scale. With this note in mind, the examination of each of the five dimensions for convergent and discriminant validity followed. The results of this test showed that “*reliability*” failed to prove evidence of either convergent or discriminant validity. Therefore, the second-order factor model could, may be, describe the multidimensionality of the scale and at the same time improve the psychometric properties of the model.

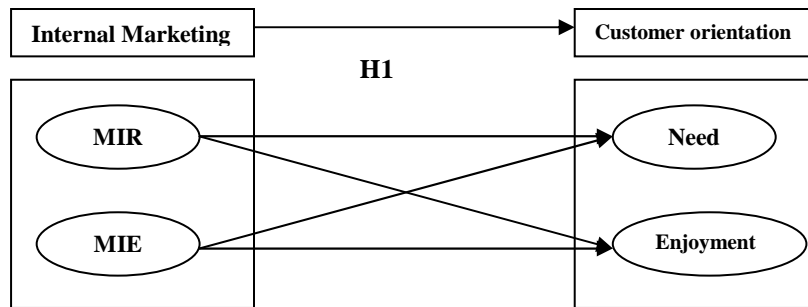
We estimate one more time the model (**M’2**: the second-order factor model), and the results of these tests showed that the model fitted the data well (*GFI*=0,874; *CFI*=0,902; *RMSEA*=0,041 and  $\chi^2/df=2,673$ ). The next stage involved the examination of the convergent and the discriminant validity of the second-order factor dimensions. The results show that both attributes are presents. Finally, when considering the model in its entity, the results again indicates a good fit of the data (*GFI*=0,815; *CFI*=0,897; *RMSEA*=0,061 and  $\chi^2/df=2,299$ ).

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<sup>1</sup> SMC :Squared Multiple Correlation

### *Results from structural model*

Having established the psychometric properties of the three instruments, the relationship between the constructs and their dimensions were investigated using structural equation modeling in AMOS 16.0. Hypothesis 1 investigates the impact of internal marketing on customer orientation.



In others words, we investigated the impact of the *gratitude-empathy's* dimension on customer orientation (*Need* dimension) and *integration-support's* dimension on customer orientation (*Enjoyment* dimension). The results reveal that the *gratitude and empathy's* level has a positive and significant effect on (1) the contact employees' ability to satisfy customer *needs* ( $\beta = .984$ ,  $t = 6.586$ ,  $p < .001$ ); and on (2) the contact employee's *enjoyment* when they are interacting and serving customers ( $\beta = .633$ ,  $t = 5.101$ ,  $p < .001$ ). The results reveal also that the *integration-support's* level of the organization was not a significant predictor of employees' customer orientation (for both dimensions: *need & enjoyment*). The hypothesis 1 is partially supported.

To investigate the mediating role of employee's customer orientation on the relationship between internal marketing and perceived service quality (H2); the four step's approach of Baron and Kenny (1986) followed; according to the baron and Kenny's (1986) approach, we have to show respectively:

1. (H2.1): that the link between the independent variable (internal marketing) and the dependant variable (perceived service quality) is significant in order to make sure to have an impact to mediate. The results reveal that the internal marketing (both of two dimensions) affects positively and significantly the perceived service quality, in support of hypothesis H2.1 ( $\beta = .224$ ,  $t = 5.271$ ,  $p < .001$ ) for *gratitude-empathy's* dimension and ( $\beta = .065$ ,  $t = 2.228$ ,  $p < .005$ ) for *integration-*

*support's* dimension. The model fit was acceptable ( $GFI=0,872$ ;  $CFI=0,935$ ;  $RMSEA=0,053$  and  $\chi^2/df=1,978$ ).

2. (H2.2): that the independent variable (*internal marketing*) has a significant impact on the mediating variable (*customer orientation*), considered as dependent variable into this relationship. The results show it but in a partial way (see H1 results); hence, we can confirm the internal marketing's significant effect on customer orientation through the *gratitude-empathy's* dimension. The adjustment of the model was good ( $GFI=0,851$ ;  $CFI=0,954$ ;  $RMSEA=0,074$  and  $\chi^2/df=1,626$ ).
3. (H2.3): that the link between the independent variable (*internal marketing*) and the dependant variable (*perceived service quality*) by adding the mediating variable (*customer orientation*). The effect of the independent variable (*internal marketing*) on the dependant variable (*perceived service quality*) must remain significant.

The results reveal that the *internal marketing* influence positively the *customer orientation* through the *gratitude-empathy's* dimension ( $\beta = .647$ ,  $t = 9.082$ ,  $p < .001$ ) for the *enjoyment* dimension and ( $\beta = .946$ ,  $t = 11.496$ ,  $p < .001$ ) for the *need* dimension. *Internal marketing* influence also, positively the *customer orientation* (*need* dimension) through the *integration-support's* dimension ( $\beta = .131$ ,  $t = 2.217$ ,  $p < .005$ ). The *customer orientation* influence in his turn the *perceived service quality* ( $\beta = .520$ ,  $t = 4.187$ ,  $p < .001$ ) for the *enjoyment* dimension and ( $\beta = .345$ ,  $t = 4.812$ ,  $p < .001$ ) for the *need* dimension. The model fit was also acceptable ( $GFI=0,813$ ;  $CFI=0,900$ ;  $RMSEA=0,062$  and  $\chi^2/df=2,318$ ).

4. The last step of the Baron and Kenny's (1986) approach is to verify the partial or complete nature of the mediation, by investigating the direct links between the independent variable (*internal marketing*) and the dependant variable (*perceived service quality*). The authors recommend, also verifying that the mediating effect is significant, using the Sobel test (1996) (Kline, 1998).

The analysis followed and the results indicate that the link between *internal marketing* and *perceived service quality* is not significant any more when we introduce the mediating variable (*customer orientation*); while it was significant in the first step of



the Baron and Kenny's (1986) approach. Consequently, the mediation between *internal marketing* and *perceived service quality* is total.

The Sobel (1996) test was made to show if the mediating *customer orientation*'s effect is significant or not. By using regression weights and standard errors, the results reveal that the mediating effect is significant ( $Z= 8,487$ ;  $p=0,0002$ ).

## **Discussion and implications**

The findings in this study have various implications for both academics and managers. Within the broader relationship marketing approach, the application of marketing practices internally represents the most relevant answer toward this direction (Gounaris, 2008). Based on previous literature, this study underlines the notion of an internal marketing and proposes, through an empirical study, a measurement tool trying to measure the level of the internal marketing practices in the company. We proposed, also that worker's degree of customer orientation can be determined by more application of internal marketing practices (through the proposed dimensions). Furthermore, we suggested that the worker's disposition to satisfy customer *needs* and her *enjoyment* predisposition when he serves customers, are predictive of perceived service quality and thus of service worker performance. One unexpected finding was negative, direct relationship between *integration-support*'s dimension of internal marketing and customer orientation (both of dimensions). We failed to produce evidence that the support and integration dimension of internal marketing has an impact on customer orientation. Contrarily, *gratitude-empathy* dimension was found to have a significant impact on customer orientation. This strong relationship between internal marketing (through *gratitude-empathy*'s dimension) and customer orientation has not been previously found in the literature. Although our results are more suggestive than conclusive, they support each of the proposals motioned.

The study is not without limitations, which, however, future research can address. A first limitation pertains the sample of this study; in fact, a study with more important sample could be more effective. The second limitation concerned the measure of internal marketing as well as the internal marketing dimensions; we consider that they need further development and validation. It is also possible that additional dimensions of internal marketing exist that might improve its predictive ability.

In summary, our research suggests that the contact employee's degree of customer orientation is based in part on more fundamental internal marketing practices and is related to perceived service quality. In spite of this proposal, it is too early to begin to use our scale in the others sectors.

**Table I: Factor analysis of the items making up the internal marketing scale**

Items	Internal Marketing dimensions (n=116)		
	Gratitude – empathy	Integration - support	coaching
MIE1	,246	,883	,151
MIE2	,206	,884	,174
MIR3	,195	,883	,140
MIE4	,485	,645	,087
MIE5	,504	,621	-,068
MIR1	,669	,547	-,032
MIR2	,817	,308	-,040
MIR3	,600	,295	,412
MIF1	,457	,105	,725
MIF2	,026	,019	,809
MIR4	,650	,346	,414
MIR5	,715	,312	,196
MIR6	,644	,436	,319
MIR7	,777	,163	-,004
MIR8	,704	,162	,354
MIF3	,068	,139	,793
MIR9	,595	,141	,297

**Table II: Investigation of internal marketing's instrument psychometric properties**  
**Structural equation model**

Alternative model	CFI	GFI	REMSEA	$\chi^2/df$
M1 : test of the 3 dimension	,849	,752	,127	2,843
M2 : test of 2 dimension (Gratitude – empathy/ Integration – support)	,879	,789	,130	2,942
M3: test of 2 dimension adjusted	,993	948	,041	1,193

**Table III: Investigation of internal marketing's instrument psychometric properties**

Gratitude – empathy (MIR)		Integration – support (MIE)		Convergent validity		Discriminant validity
AVE	(Corr <sup>2</sup> )	AVE	(Corr <sup>2</sup> )	MIR	MIE	
0,61	0,43	0,84	0,43	YES		YES

Notes: AVE= Average Variance Extracted=  $\sum(\text{standard loading})^2 / \sum \text{Standard loading})^2 + \sum \epsilon_{ij}$   
Convergent validity (AVE > 0,5); Discriminant validity= AVE/(Corr<sup>2</sup>) > 1  
Corr<sup>2</sup>= highest (Corr)<sup>2</sup> between factor of interest and remaining factors

**Table IV: Investigation of SERVPERF's instrument psychometric properties**  
**Structural equation model (n=348)**

Alternative model	CFI	GFI	REMSEA	$\chi^2/df$
M'1 : First-order factor model	,909	,880	,068	2,586
M'2 : Second-order factor model	,902	,874	,069	2,673

**Table V: Reliability's scales (n-employees=116; n-customers=348)**

Variable	Number of Items	Coefficient Alpha	Jöreskog Rhô
Gratitude – empathy (MIR)	9	.909	.96
Integration – support (MIE)	5	.920	.88
<b>Internal Marketing</b>	<b>14</b>		
Enjoyment	6	.901	.86
Needs	6	.851	.94
<b>Customer orientation</b>	<b>12</b>		
tangibles	4	.704	.88
reliability	5	.762	.86
responsiveness	4	.616	.85
assurance	4	.814	.89
empathy	5	.852	.93
<b>SERVPERF</b>	<b>22</b>	<b>.911</b>	<b>.95</b>

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